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Karl Marx, The Abolition of Landed Property, 1869

# The Abolition of Landed Property

*Memorandum for Robert Applegarth*

**3 December 1869**

The property in the soil — that original source of all wealth — has become the great problem upon the solution of which depends the future of the working class.

While not intending to discuss here all the argument put forward by the advocates of private property in land — jurists, philosophers, and political economists — we shall only state firstly that they disguise the original fact of conquest under the cloak of "natural right". If conquest constitutes a natural right on the part of the few, the many have only to gather sufficient strength in order to acquire the natural right of reconquering what has been taken from them. In the progress of history, the conquerors attempt to give a sort of social sanction to their original title derived from brute force, through the instrumentality of laws imposed by themselves. At last comes the philosopher who declares those laws to imply the universal consent of society. If indeed private property in land is based upon such a universal consent, it evidently becomes extinct from the moment the majority of a society dissent from warranting it. However, leaving aside the so-called "rights" of property, we affirm that the economical development of society, the increase and concentration of people, the necessity to agriculture of collective and organized labor as well as of machinery and similar contrivances, render the nationalization of land a "social necessity", against which no amount of talk about the rights of property will avail.

Changes dictated by social necessity are sure to work their way sooner or later, because the imperative wants of society must be satisfied, and legislation will always be forced to adapt itself to them.

What we require is a daily increasing production whose exigencies cannot be met by allowing a few individuals to regulate it according to their whims and private interests or to ignorantly exhaust the powers of the soil. All modern methods such

as irrigation, drainage, steam plowing, chemical treatment, etc., ought to be applied to agriculture at last. But the scientific knowledge we possess, and the technical means of agriculture we command, such as machinery, etc., can never be successfully applied but by cultivating the land on a large scale. Cultivation on a large scale — even under its present capitalist form that degrades the producer himself to a mere beast of burden — has to show results so much superior to the small and piecemeal cultivation — would it then not, if applied on national dimension, be sure to give an immense impulse to production? The ever growing wants of the people on the one side, the ever increasing price of agricultural products on the other, afford the irrefutable proof that the nationalization of land has become a "social necessity". The diminution of agricultural produce springing from individual abuse ceases to be possible as soon as cultivation is carried on under the control, at the cost, and for the benefit of the nation.

France has often been alluded to, but with its peasantry proprietorship it is farther off the nationalization of land than England with its landlordism. In France, it is true, the soil is accessible to all who can buy it, but this very faculty has brought about the division of land into small plots cultivated by men with small means and mainly thrown on the resources of the bodily labor of both themselves and their families. This form of landed property and the piecemeal cultivation necessitated by it not only excludes all appliance of modern agricultural improvements, but simultaneously converts the tiller himself into the most decided enemy of all social progress, and above all, of the nationalization of the land. Enchained to the soil upon which he has to spend all his vital energies in order to get a relatively small return, bound to give away the greater part of his produce to the state in the form of taxes, to the law tribe in the form of judiciary costs, and to the usurer in the form of interest; utterly ignorant of the social movement outside his petty field of action; he still clings with frantic fondness to his spot of soil and his merely nominal proprietorship in the same. In this way, the French peasant has been thrown into a most fatal antagonism to the industrial working class. Peasantry proprietorship being thus the greatest obstacle to the "nationalization of land", France, in its present state, is certainly not the place where we must look for a solution of this great problem. To nationalize the land and let it out in small plots to individuals or workingmen's societies would, under a middle-class government, only bring about a reckless competition among them, and cause a certain increase of "rent", and thus lend new facilities to the appropriators for feeding upon the producers.

At the International Congress in Brussels, in 1868, one of my friends said:

"Small private property is doomed by the verdict of science; great private property by justice. There remains then but one alternative. The soil must become the property of rural associations, or the property of the whole nation. The future will decide the question."

I say, on the contrary:

"The future will decide that the land cannot be owned but nationally. To give up the soil to the hands of associated rural laborers would be to surrender all society to one exclusive class of producers. The nationalization of land will work a complete change in the relations between labor and capital and finally do away altogether with capitalist production, whether industrial or rural. Only then the class distinctions and privileges will disappear together with the economical basis from which they originate and society will be transformed into an association of 'producers'. To live upon other people's labor will become a thing of the past. There will no longer exist a government nor a state distinct from society itself."

Agriculture, mining, manufacture, in one word, all branches of production will gradually be organized in the most effective form. *National centralization of the means of production* will become the natural basis of a society composed of associations of free and equal producers consciously acting upon a common and rational plan. Such is the goal to which the great economic movement of the 19th century is tending.

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From: <http://www.marxists.org/archive/marx/works/1869/12/03.htm>

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## **Speech at the Third All-Russia Conference of Directors of Adult Education Divisions of Gubernia Education Departments**

*February 25, 1920*

Permit me to greet your conference on behalf of the Council of People's Commissars and to share a few ideas with you.

As far as the international situation is concerned, I can tell you of a wireless message received today from Britain which better than anything else typifies it. The message says that yesterday, the twenty-fourth, the Allied Council decided that in the event of the states bordering on Russia asking its advice on policy it would say that it could not advise a war that would probably injure their interests, still less could it advise an aggressive war against Russia; if, however, the Russian Soviet Republic attacked their legitimate frontiers, the Allied Council would give them its support. The Allied gentlemen also want to send to Russia a commission that belongs to the Washington labour committee. The organisers of the conference, social-traitors headed by Albert Thomas, have agreed on certain social reforms and want to send this crowd, which constitutes part of the League of Nations, to Russia to investigate how far conditions in Russia coincide with the normal requirements of "civilised" states.

The report of yesterday's decision by the Allies shows clearly enough that those gentlemen have got themselves into a mess, and also what benefit we can gain from that mess. They have wasted hundreds of millions (the British Government has) on support for the war and have now announced that they can no longer support it. Their offensive spirit is played out, although they are still delivering war materiel to Poland; they are still delivering armaments and we have authentic information that Poland is regrouping her forces for an offensive so that we cannot place any great reliance on their announcement. A certain threat still remains, although the external danger from the Allies has diminished by ninety per cent; we shall have to retain our military preparedness after the end of the war against Denikin; we cannot count on full demobilisation.

Nine-tenths of the danger of an attack on Russia by international capitalism has, therefore, disappeared; they have suffered such a thorough collapse that are proposing for the umpteenth time to send a commission to Russia. If that commission is to consist of gentlemen like Albert Thomas, who visited Russia during the war, it will end in nothing but a scandal for them and will be an excellent basis for agitation for us. We'll give them such a welcome that they will leave Russia as quickly as possible and the only gain will be agitation for the workers of other countries. They want to scare us, but when we say we are welcoming them as

honoured guests, they will hide this attempt of theirs. That shows the extent to which they are dismayed. We now have a window open on to Europe, thanks to the peace with Estonia, and are able to obtain the basic goods from there. There is, indeed, tremendous progress and improvement in our international situation; nine-tenths of all external danger to the Soviet Republic has been removed.

The more the danger is removed the more shall we be able to get on with our peaceful development, and we expect a lot from you and from your activities in the sphere of adult education. A number of material changes are necessary to put education in schools on a better footing—schools must be built, teachers selected and internal reforms carried out in organising and in selecting the staff. These are all things that require lengthy preparation. You are not hampered by this lengthy preparation in adult education. The demand of the people for an education outside the regular school system and the need for workers in this field are increasing very greatly. We are sure that with the common aid and by our common efforts more will be done than has hitherto been the case.

In conclusion I shall speak about the nature of adult education, which is connected with propaganda and agitation. One of the fundamental faults of education in the capitalist world was its alienation from the basic task of organising labour, since the capitalist had to train and educate obedient and disciplined workers. There was no connection in capitalist society between the actual tasks of the organisation of social labour and teaching. There was dead, scholastic, routine teaching befouled by the influence of the clergy which everywhere, even in the most democratic republics, functioned in such a way that everything fresh and healthy was compelled to withdraw. Direct, vital work was made difficult because no extensive education was possible without a state apparatus and without material and financial aid. Since we can and must prepare to transfer our entire Soviet life from the path of military training and defence to that of peaceful development it is essential for you, workers in the field of adult education, to take this change into consideration, and your propaganda work, its aims and programme should be made to fit this change.

To show you how I understand the tasks and the entire character of education, of teaching, training and upbringing, in their connection with the changing tasks of the Soviet Republic, I would remind you of the resolution on electrification that was adopted at the last session of the All-Russia Central Executive Committee; you are probably all familiar with it. A few days ago there was an announcement in the papers that within two months (in the official printed report it said two weeks, but that was a mistake)—that within two months a plan for the electrification of the country would be elaborated to cover a minimum period of two to three years and a maximum period of ten years. The character of all our propaganda, which includes purely Party propaganda, and school teaching, and adult education, must change, not in the sense that the fundamentals and general direction of teaching should be changed, but in the sense that the character of the work must be adapted to the

transition to peaceful development with an extensive plan for the industrial and economic reconstruction of the country, because the general economic difficulty and the general task is the rehabilitation of the country's economic forces so that the proletarian revolution can create the new foundations of economic life side by side with petty peasant economy. Up to now the peasant has been compelled to loan grain to the workers' state; the pieces of coloured paper called money received in return for grain do not satisfy the peasant. The peasant, being dissatisfied, is demanding his legitimate rights—in exchange for grain he wants the industrial goods that we cannot give him until we have rehabilitated the economy. Rehabilitation—that is the basic task, but we cannot rehabilitate on the old economic and technical basis. This is technically impossible and would be absurd; we have to find a new basis. This new basis is our electrification plan.

We are talking to the peasants, to the mass of less—developed people, showing them that the new transition to a higher stage of culture and technical education is necessary for the success of all Soviet development. And so, it is essential to restore the economy. The most ignorant peasant will understand that the economy has been wrecked by the war and that he cannot overcome poverty and obtain the necessary goods in exchange for grain unless we restore it. All our work in the sphere of propaganda, school and adult education must be linked up closely with this most immediate and urgent need of the peasant in order not to be isolated from the most urgent requirements of our daily life; it should present them and their development in a way the peasant understands; it must be stressed that the way out of the situation is only through the rehabilitation of industry. Industry, however, cannot be rehabilitated on the old basis; it must be rehabilitated on the basis of modern technology, which means the electrification of industry and a higher culture. Electrification takes up to ten years' work, but it is work at a higher cultural and political level.

We shall evolve an extensive plan of work which must, in the minds of the peasantry, have a clearly defined practical aim. This cannot be done in a few months. The minimum programme should cover no less than three years. Without lapsing into utopias we may say that in ten years we shall be able to cover all Russia with a network of power stations and go over to an industry based on electricity that will meet the requirements of modern technology and put an end to the old peasant farming. This, however, requires a higher level of education and culture.

Without hiding from ourselves the fact that the immediate practical task is the restoration of transport and the delivery of food, and that with productivity at its present level we cannot undertake any extensive activities, you must nevertheless keep in mind and carry out, in the sphere of propaganda and education, the task of full rehabilitation on a basis commensurate with cultural and technical requirements. The old methods of propaganda are outmoded and until recently approached the peasants with general phrases about the class struggle; they served as grounds for the invention of all sorts of nonsense about proletarian culture,[1]

etc., but we shall very rapidly cure ourselves of all this nonsense which seems very much like an infantile disorder. In propaganda and agitation, and in school and adult education, we shall present the question in a more sober and business-like manner, a manner worthy of the people of Soviet power who have learned something in the course of two years and who will go to the peasants with a practical, businesslike and clearcut plan for the reconstruction of all industry and will demonstrate that with education at its present level the peasant and the worker will not be able to carry out this task and will not escape from filth, poverty, typhus and disease. This practical task is clearly connected with cultural and educational improvements and must serve as the central point around which we must group all our Party propaganda and activities, all our school and extra-mural teaching. This will help to get a sound grasp of the most urgent interests of the peasant masses and will link up the general improvement in culture and knowledge with burning economic requirements to such an extent that we shall increase a hundredfold the demand of the working-class masses for education. We are absolutely certain that if we have solved the difficult war problem in two years, we shall solve a still more difficult problem—the cultural and educational problem—in five to ten years.

These are the ideas I wished to express to you. (*Applause.*)

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### Endnotes

[1] Lenin here refers to Proletcult (Proletarian Culture Organisation) formed in September 1917 as an independent workers' cultural and educational organisation. After the October Revolution A. A. Bogdanov and other leaders of the Proletcult continued to uphold its “independence” and thus counterposed it to the interests of the proletarian state. As a result, bourgeois intellectuals made their way into the organisation and began to influence it. The Proletcult members practically rejected the cultural legacy of previous generations, strove to cut themselves off from mass cultural and educational work isolated themselves from life and advocated the need to create a special “proletarian culture” by “laboratory methods”. Bogdanov, the main ideologist of the Proletcult, recognised Marxism in words, but actually advocated subjective idealism and Machism. The Proletcult was not a homogeneous organisation. Besides bourgeois intellectuals who made up the leadership of many of its organisations, there was also working youth who sincerely wanted to help the cultural development of the Soviet state. The Proletcult organisations made progress in 1919, but in the early twenties they went into decline. In 1932 the Proletcult ceased to exist.

Lenin sharply criticised its erroneous principles in a draft resolution on “Proletarian Culture” (see present edition, Vol. 31, “On Proletarian Culture”) and in a number of other works.

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From: <http://www.marxists.org/archive/lenin/works/1920/feb/25.htm>

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## Karl Marx, Critique of the Gotha Programme, 1875

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### III

"The German Workers' party, in order *to pave the way to the solution of the social question*, demands the establishment of producers' co-operative societies *with state aid under the democratic control of the toiling people*. The producers' co-operative societies *are to be called into being* for industry and agriculture on such a scale *that the socialist organization of the total labor will arise from them*."

After the Lassallean "iron law of wages", the physic of the prophet. The way to it is "paved" in worthy fashion. In place of the existing class struggle appears a newspaper scribbler's phrase: "the social *question*", to the "solution" of which one "paves the way".

Instead of arising from the revolutionary process of transformation of society, the "socialist organization of the total labour" "arises" from the "state aid" that the state gives to the producers' co-operative societies and which the *state*, not the workers, "calls into being". It is worthy of Lassalle's imagination that with state loans one can build a new society just as well as a new railway!

From the remnants of a sense of shame, "state aid" has been put under the democratic control of the "toiling people".

In the first place, the majority of the "toiling people" in Germany consists of peasants, not proletarians.

Second, "democratic" means in German "Volksherrschaftlich" [by the rule of the people]. But what does "control by the rule of the people of the toiling people" mean? And particularly in the case of a toiling people which, through these



demands that it puts to the state, expresses its full consciousness that it neither rules nor is ripe for ruling!

It would be superfluous to deal here with the criticism of the recipe prescribed by Buchez in the reign of Louis Philippe, in opposition to the French socialists and accepted by the reactionary workers, of the Atelier. The chief offense does not lie in having inscribed this specific nostrum in the program, but in taking, in general, a retrograde step from the standpoint of a class movement to that of a sectarian movement.

That the workers desire to establish the conditions for co-operative production on a social scale, and first of all on a national scale, in their own country, only means that they are working to revolutionize the present conditions of production, and it has nothing in common with the foundation of co-operative societies with state aid. But as far as the present co-operative societies are concerned, they are of value *only* insofar as they are the independent creations of the workers and not protégés either of the governments or of the bourgeois.

## IV

I come now to the democratic section.

A. "The free basis of the state."

First of all, according to II, the German Workers' party strives for "the free state".

Free state - what is this?

It is by no means the aim of the workers, who have got rid of the narrow mentality of humble subjects, to set the state free. In the German Empire, the "state" is almost as "free" as in Russia. Freedom consists in converting the state from an organ superimposed upon society into one completely subordinate to it; and today, too, the forms of state are more free or less free to the extent that they restrict the "freedom of the state".

The German Workers' party — at least if it adopts the program — shows that its socialist ideas are not even skin-deep; in that, instead of treating existing society (and this holds good for any future one) as the *basis* of the existing state (or of the future state in the case of future society), it treats the state rather as an independent entity that possesses its own intellectual, ethical, and libertarian bases.

And what of the riotous misuse which the program makes of the words "present-day state", "present-day society", and of the still more riotous misconception it creates in regard to the state to which it addresses its demands?

**"Present-day society" is capitalist society, which exists in all civilized countries, more or less free from medieval admixture, more or less modified by the particular historical development of each country, more or less developed. On the other hand, the "present-day state" changes with a country's frontier. It is different in the Prusso-German Empire from what it is in Switzerland, and different in England from what it is in the United States. The "present-day state" is therefore a fiction.**

Nevertheless, the different states of the different civilized countries, in spite of their motley diversity of form, all have this in common: that they are based on modern bourgeois society, only one more or less capitalistically developed. They have, therefore, also certain essential characteristics in common. In this sense, it is possible to speak of the "present-day state" in contrast with the future, in which its present root, bourgeois society, will have died off.

The question then arises: What transformation will the state undergo in communist society? In other words, what social functions will remain in existence there that are analogous to present state functions? This question can only be answered scientifically, and one does not get a flea-hop nearer to the problem by a thousand-fold combination of the word 'people' with the word 'state'.

Between capitalist and communist society there lies the period of the revolutionary transformation of the one into the other. Corresponding to this is also a political transition period in which the state can be nothing but *the revolutionary dictatorship of the proletariat*.

Now the program does not deal with this nor with the future state of communist society.

Its political demands contain nothing beyond the old democratic litany familiar to all: universal suffrage, direct legislation, popular rights, a people's militia, etc. They are a mere echo of the bourgeois People's party, of the League of Peace and Freedom. They are all demands which, insofar as they are not exaggerated in fantastic presentation, have already been *realized*. Only the state to which they belong does not lie within the borders of the German Empire, but in Switzerland, the United States, etc. This sort of "state of the future" is a present-day state, although existing outside the "framework" of the German Empire.

But one thing has been forgotten. Since the German Workers' party expressly declares that it acts within "the present-day national state", hence within its own state, the Prusso-German Empire — its demands would indeed be otherwise largely meaningless, since one only demands what one has not got — it should not have forgotten the chief thing, namely, that all those pretty little gewgaws rest on the recognition of the so-called sovereignty of the people and hence are appropriate only in a *democratic republic*.

Since one has not the courage — and wisely so, for the circumstances demand caution — to demand the democratic republic, as the French workers' programs under Louis Philippe and under Louis Napoleon did, one should not have resorted, either, to the subterfuge, neither "honest" [1] nor decent, of demanding things which have meaning only in a democratic republic from a state which is nothing but a police-guarded military despotism, embellished with parliamentary forms, alloyed with a feudal admixture, already influenced by the bourgeoisie, and bureaucratically carpentered, and then to assure this state into the bargain that one imagines one will be able to force such things upon it "by legal means".

Even vulgar democracy, which sees the millennium in the democratic republic, and has no suspicion that it is precisely in this last form of state of bourgeois society that the class struggle has to be fought out to a conclusion — even it towers mountains above this kind of democratism, which keeps within the limits of what is permitted by the police and not permitted by logic.

That, in fact, by the word "state" is meant the government machine, or the state insofar as it forms a special organism separated from society through division of labor, is shown by the words "the German Workers' party demands as the economic basis of the state: a single progressive income tax", etc. Taxes are the economic basis of the government machinery and of nothing else. In the state of the future, existing in Switzerland, this demand has been pretty well fulfilled. Income tax presupposes various sources of income of the various social classes, and hence capitalist society. It is, therefore, nothing remarkable that the Liverpool financial reformers — bourgeois headed by Gladstone's brother — are putting forward the same demand as the program.

B. "The German Workers' party demands as the intellectual and ethical basis of the state:

"1. Universal and equal elementary education by the state. Universal compulsory school attendance. Free instruction."

"Equal elementary education"? What idea lies behind these words? Is it believed that in present-day society (and it is only with this one has to deal) education can be

*equal* for all classes? Or is it demanded that the upper classes also shall be compulsorily reduced to the modicum of education — the elementary school — that alone is compatible with the economic conditions not only of the wage-workers but of the peasants as well?

"Universal compulsory school attendance. Free instruction." The former exists even in Germany, the second in Switzerland and in the United States in the case of elementary schools. If in some states of the latter country higher education institutions are also "free", that only means in fact defraying the cost of education of the upper classes from the general tax receipts. Incidentally, the same holds good for "free administration of justice" demanded under A, 5. The administration of criminal justice is to be had free everywhere; that of civil justice is concerned almost exclusively with conflicts over property and hence affects almost exclusively the possessing classes. Are they to carry on their litigation at the expense of the national coffers?

This paragraph on the schools should at least have demanded technical schools (theoretical and practical) in combination with the elementary school.

"Elementary education by the state" is altogether objectionable. Defining by a general law the expenditures on the elementary schools, the qualifications of the teaching staff, the branches of instruction, etc., and, as is done in the United States, supervising the fulfillment of these legal specifications by state inspectors, is a very different thing from appointing the state as the educator of the people! Government and church should rather be equally excluded from any influence on the school. Particularly, indeed, in the Prusso-German Empire (and one should not take refuge in the rotten subterfuge that one is speaking of a "state of the future"; we have seen how matters stand in this respect) the state has need, on the contrary, of a very stern education by the people.

But the whole program, for all its democratic clang, is tainted through and through by the Lassalleian sect's servile belief in the state, or, what is no better, by a democratic belief in miracles; or rather it is a compromise between these two kinds of belief in miracles, both equally remote from socialism.

"Freedom of science" says paragraph of the Prussian Constitution. Why, then, here?

"Freedom of conscience"! If one desired, at this time of the Kulturkampf to remind liberalism of its old catchwords, it surely could have been done only in the following form: Everyone should be able to attend his religious as well as his bodily needs without the police sticking their noses in. But the Workers' party ought, at any rate in this connection, to have expressed its awareness of the fact that bourgeois "freedom of conscience" is nothing but the toleration of all possible kinds of

religious freedom of conscience from the witchery of religion. But one chooses not to transgress the "bourgeois" level.

I have now come to the end, for the appendix that now follows in the program does not constitute a characteristic component part of it. Hence, I can be very brief.

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### **Footnote**

[1] Epitaph used by the Eisenachers. Here a play on words in German.

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## **Appendix**

### "2. Normal working day."

In no other country has the workers' party limited itself to such an indefinite demand, but has always fixed the length of the working day that it considers normal under the given circumstances.

### "3. Restriction of female labor and prohibition of child labor."

The standardization of the working day must include the restriction of female labor, insofar as it relates to the duration, intermissions, etc., of the working day; otherwise, it could only mean the exclusion of female labor from branches of industry that are especially unhealthy for the female body, or are objectionable morally for the female sex. If that is what was meant, it should have been said so.

"Prohibition of child labor." Here it was absolutely essential to state the age limit.

A general prohibition of child labor is incompatible with the existence of large-scale industry and hence an empty, pious wish. Its realization -- if it were possible -- would be reactionary, since, with a strict regulation of the working time according to the different age groups and other safety measures for the protection of children, an early combination of productive labor with education is one of the most potent means for the transformation of present-day society.

### "4. State supervision of factory, workshop, and domestic industry."

In consideration of the Prusso-German state, it should definitely have been demanded that the inspectors are to be removable only by a court of law; that any worker can have them prosecuted for neglect of duty; that they must belong to the medical profession.

### "5. Regulation of prison labor."

A petty demand in a general workers' program. In any case, it should have been clearly stated that there is no intention from fear of competition to allow ordinary criminals to be treated like beasts, and especially that there is no desire to deprive them of their sole means of betterment, productive labor. This was surely the least one might have expected from socialists.

"6. An effective liability law."

It should have been stated what is meant by an "effective" liability law.

Be it noted, incidentally, that, in speaking of the normal working day, the part of factory legislation that deals with health regulations and safety measures, etc., has been overlooked. The liability law comes into operation only when these regulations are infringed.

In short, this appendix also is distinguished by slovenly editing.

*Dixi et salvavi animam meam.* [I have spoken and saved my soul.]

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**From:** <http://www.marxists.org/archive/marx/works/1875/gotha/index.htm>

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## On Co-operation

It seems to me that not enough attention is being paid to the cooperative movement in our country. Not everyone understands that now, since the time of the October revolution and quite apart from NEP (on the contrary, in this connection we must say—because of NEP), our cooperative movement has become one of great significance. There is a lot of fantasy in the dreams of the old cooperators. Often they are ridiculously fantastic. But why are they fantastic? Because people do not understand the fundamental, the rock-bottom significance of the working-class political struggle for the overthrow of the rule of the exploiters. We have overthrown the rule of the exploiters, and much that was fantastic, even romantic, even banal in the dreams of the old cooperators is now becoming unvarnished reality.

Indeed, since political power is in the hands of the working-class, since this political power owns all the means of production, the only task, indeed, that remains for us is to organize the population in cooperative societies. With most of the population organizing cooperatives, the socialism which in the past was legitimately treated with ridicule, scorn and contempt by those who were rightly convinced that it was necessary to wage the class struggle, the struggle for political power, etc., will achieve its aim automatically. But not all comrades realize how vastly, how infinitely important it is now to organize the population of Russia in cooperative societies. By adopting NEP we made a concession to the peasant as a trader, to the principal of private trade; it is precisely for this reason (contrary to what some people think) that the cooperative movement is of such immense importance. All we actually need under NEP is to organize the population of Russia in cooperative societies on a sufficiently large scale, for we have now found the degree of combination of private interest, of private commercial interest, with state supervision and control of this interest, that degree of its subordination to the common interests which was formerly the stumbling block for very many socialists. Indeed, the power of the state over all large-scale means of production, political power in the hands of the proletariat, the alliance of this proletariat with the many millions of small and very small peasants, the assured proletarian leadership of the peasantry, etc. — is this not all that is necessary to build a complete socialist society out of cooperatives, out of cooperatives alone, which we formerly ridiculed as huckstering and which from a certain aspect we have the right to treat as such now, under NEP? Is this not all that is necessary to build a complete socialist society? It is still not the building of socialist society, but it is all that is necessary and sufficient for it.

It is this very circumstance that is underestimated by many of our practical workers. They look down upon cooperative societies, failing to appreciate their exceptional importance, first, from the standpoint of principal (the means of production are owned by the state), and, second, from the standpoint of transition to the new system by means that are the *simplest, easiest and most acceptable to the peasant*.

But this again is a fundamental importance. It is one thing to draw out fantastic plans for building socialism through all sorts of workers associations, and quite another to learn to build socialism in practice in such a way that *every* small peasant could take part in it. That is the very stage we have now reached. And there is no doubt that, having reached it, we are taking too little advantage of it.

We went too far when we reintroduced NEP, but not because we attached too much importance to the principal of free enterprise and trade — we went too far because we lost sight of the cooperatives, because we now underrate cooperatives, because we are already beginning to forget the vast importance of the cooperatives from the above two points of view.

I now propose to discuss with the reader what can and must at once be done practically on the basis of this “cooperative” principle. By what means can we, and must we, start at once to develop this “cooperative” principle so that its socialist meaning may be clear to all?

Cooperation must be politically so organized that it will not only generally and always enjoy certain privileges, but that these privileges should be of a purely material nature (a favorable bank rate, etc.). The cooperatives must be granted state loans that are greater, if only by a little, than the loans we grant to private enterprises, even to heavy industry, etc.

A social system emerges only if it has the financial backing of a definite class. There is no need to mention the hundreds of millions of rubles that the birth of “free” capitalism cost. At present we have to realize that the cooperatives system is a social system we must now give more than ordinary assistance, and we must actually give that assistance. But it must be it assistance in the real sense of the word, i.e., it will not be enough to interpret it to mean assistance for any kind of cooperative trade; by assistance we must mean aid to cooperative trade in which *really large masses of the population actually take part*. It is certainly a correct form of assistance to give a bonus to peasants who take part in cooperative trade; but the whole point is to verify the nature of this participation, to verify the awareness behind it, and to verify its quality. Strictly speaking, when a cooperator goes to a village and opens cooperative store, the people take no part in this whenever; but at the same time guided by their own interests they will hasten to try to take part in it.



There is another aspect this question. From the point of view of the “enlightened” European there is not much left for us to do to induce absolutely everyone to take not a passive, but an active part in cooperative operations. Strictly speaking, there is “only” one thing we have left to do and that is to make our people so “enlightened” that they understand all the advantages of everybody participating in the work of the cooperatives, and organized participation. “Only” the fact. There are now no other devices needed to advance to socialism. But to achieve this “only”, there must be a veritable revolution—the entire people must go through a period of cultural development. Therefore, our rule must be: as little philosophizing and as few acrobatics as possible. In this respect NEP is an advance, because it is adjustable to the level of the most ordinary peasant and does not demand anything higher of him. But it will take a whole historical epoch to get the entire population into the work of the cooperatives through NEP. At best we can achieve this in one or two decades. Nevertheless, it will be a distinct historical epoch, and without this historical epoch, without universal literacy, without a proper degree of efficiency, without training the population sufficiently to acquire the habit of book reading, and without the material basis for this, without a certain sufficiency to safeguard against, say, bad harvests, famine, etc.—without this we shall not achieve our object. The thing now is to learn to combine the wide revolutionary range of action, the revolutionary enthusiasm which we have displayed, and displayed abundantly, and crowned with complete success—to learn to combine this with (I’m almost inclined to say) the ability to be an efficient and capable trader, which is quite enough to be a good cooperator. By ability to be a trader I mean the ability to be a cultured trader. Let those Russians, or peasants, who imagine that since they trade they are good traders, get that well into their heads. This does not follow that all. They do trade, but that is far from being cultured traders. They now trade in an Asiatic manner, but to be a good trader one must trade in the European manner. They are a whole epoch behind in that.

In conclusion: a number of economic, financial and banking privileges must be granted to the cooperatives—this is the way our socialist state must promote the new principle on which the population must be organized. But this is only the general outline of the task; it does not define and depict in detail the entire content of the practical task, i.e., we must find what form of “bonus” to give for joining the cooperatives (and the terms on which we should give it), the form of bonus by which we shall assist the cooperative sufficiently, the form of bonus that will produce the civilized cooperator. And given social ownership of the means of production, given the class victory of the proletariat over the bourgeoisie, the system of civilized cooperators is the system of socialism.

***January 4, 1923***

## II

Whenever I wrote about the New Economic Policy I always quoted the article on state capitalism which I wrote in 1918 ["Left-Wing" Childishness and the Petty-Bourgeois Mentality; part III]. This has more than once aroused doubts in the minds of certain young comrades but their doubts were mainly on abstract political points.

It seemed to them that the term "state capitalism" could not be applied to a system under which the means of production were owned by the working-class, a working-class that held political power. They did not notice, however, that I use the term "state capitalism", *firstly*, to connect historically our present position with the position adopted in my controversy with the so-called Left Communists; also, I argued at the time that state capitalism would be superior to our existing economy. It was important for me to show the continuity between ordinary state capitalism and the unusual, even very unusual, state capitalism to which I referred in introducing the reader to the New Economic Policy. *Secondly*, the practical purpose was always important to me. And the practical purpose of our New Economic Policy was to lease out concessions. In the prevailing circumstances, concessions in our country would unquestionably have been a pure type of state capitalism. That is how I argued about state capitalism.

But there is another aspect of the matter for which we may need state capitalism, or at least a comparison with it. It is a question of cooperatives.

In the capitalist state, cooperatives are no doubt collective capitalist institutions. Nor is there any doubt that under our present economic conditions, when we combine private capitalist enterprises—but in no other way than nationalized land and in no other way than under the control of the working-class state—with enterprises of the consistently socialist type (the means of production, the land on which the enterprises are situated, and the enterprises as a whole belonging to the state), the question arises about a third type of enterprise, the cooperatives, which were not formally regarded as an independent type differing fundamentally from the others. Under private capitalism, cooperative enterprises differ from capitalist enterprises as collective enterprises differ from private enterprises. Under state capitalism, cooperative enterprises differ from state capitalist enterprises, *firstly*, because they are private enterprises, and, *secondly*, because they are collective enterprises. Under our present system, cooperative enterprises differ from private capitalist enterprises because they are collective enterprises, but do not differ from socialist enterprises if the land on which they are situated and means of production belong to the state, i.e., the working-class.

This circumstance is not considered sufficiently when cooperatives are discussed. It is forgotten that owing to the special features of our political system, our cooperatives acquire an altogether exceptional significance. If we exclude concessions, which, incidentally, have not developed on any considerable scale, cooperation under our conditions nearly always coincides fully with socialism.

Let me explain what I mean. Why were the plans of the old cooperators, from Robert Owen onwards, fantastic? Because they dreamed of peacefully remodeling contemporary society into socialism without taking account of such fundamental questions as the class struggle, the capture of political power by the working-class, the overthrow of the rule of the exploiting class. That is why we are right in regarding as entirely fantastic this “cooperative” socialism, and as romantic, and even banal, the dream of transforming class enemies into class collaborators and class war into class peace (so-called class truce) by merely organizing the population in cooperative societies.

Undoubtedly we were right from the point of view of the fundamental task of the present day, for socialism cannot be established without a class struggle for the political power and a state.

But see how things have changed now that the political power is in the hands of the working-class, now that the political power of the exploiters is overthrown and all the means of production (except those which the workers' state voluntarily abandons on specified terms and for a certain time to the exploiters in the form of concessions) are owned by the working-class.

Now we are entitled to say that for us the mere growth of cooperation (with the “slight” exception mentioned above) is identical with the growth of socialism, and at the same time we have to admit that there has been a radical modification in our whole outlook on socialism. The radical modification is this; formerly we placed, and had to place, the main emphasis on the political struggle, on revolution, on winning political power, etc. Now the emphasis is changing and shifting to peaceful, organizational, “cultural” work. I should say that emphasis is shifting to educational work, were it not for our international relations, were it not for the fact that we have to fight for our position on a world scale. If we leave that aside, however, and confine ourselves to internal economic relations, the emphasis in our work is certainly shifting to education.

Two main tasks confront us, which constitute the epoch—to reorganize our machinery of state, which is utterly useless, in which we took over in its entirety from the preceding epoch; during the past five years of struggle we did not, and could not, drastically reorganize it. Our second task is educational work among the peasants. And the economic object of this educational work among the peasants is

to organize the latter in cooperative societies. If the whole of the peasantry had been organized in cooperatives, we would by now have been standing with both feet on the soil of socialism. But the organization of the entire peasantry in cooperative societies presupposes a standard of culture, and the peasants (precisely among the peasants as the overwhelming mass) that cannot, in fact, be achieved without a cultural revolution.

Our opponents told us repeatedly that we were rash in undertaking to implant socialism in an insufficiently cultured country. But they were misled by our having started from the opposite end to that prescribed by theory (the theory of pedants of all kinds), because in our country the political and social revolution preceded the cultural revolution, that very cultural revolution which nevertheless now confronts us.

This cultural revolution would now suffice to make our country a completely socialist country; but it presents immense difficulties of a purely cultural (for we are illiterate) and material character (for to be cultured we must achieve a certain development of the material means of production, we must have a certain material base).

***January 6, 1923***

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From: <http://www.marxists.org/archive/lenin/works/1923/jan/06.htm>

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## Dismissing myths, misunderstandings of entrepreneurship

Michael H Morris, Business Day, Johannesburg, April 22, 1996

In recent years, considerable attention has been devoted to the role of entrepreneurship in creating economic development and sustained economic growth.

Consider the following evidence:

- ✓ Studies have shown that the entrepreneurial sector of society accounts for 80% to 90% of all the new jobs created in industrial nations;
- ✓ A direct, positive relationship exists between the level of entrepreneurial activity in a society and the growth of GDP;
- ✓ Entrepreneurship appears to have a significant, positive impact over time on each of seven components of societal quality of life; and
- ✓ At the corporate level, higher levels of entrepreneurial activity vary directly and positively with growth in company sales, assets, employment, and profitability.

And while many of our politicians, civic leaders, economists, corporate executives and labour union leaders are slowly coming to appreciate findings such as these, entrepreneurship remains a very misunderstood concept.

This misunderstanding is reflected in the following 11 "myths". Each of these myths can result in misguided approaches to fostering entrepreneurship within the South African economy.

☒ ***"Entrepreneurship is about setting up a small business".***

This is not necessarily true. Entrepreneurship represents a growth-oriented outlook on business. It implies an innovative approach to running a company.

Most small businesses are not at all entrepreneurial. Rather, they are stagnant, reactive, complacent, *status quo* operations.

While they do serve an important purpose in the country's economy, they do not provide all that much dynamism.

### ⊗ ***"Entrepreneurship is discrete".***

Entrepreneurship does not just "happen". There is a definite process involved. The process starts with identifying an opportunity, then developing a solid business concept, assessing and acquiring resources, and finally, managing and harvesting a venture.

As a process, entrepreneurship can be managed on an ongoing basis and can be applied in organisations of all sizes and types.

### ⊗ ***"Entrepreneurship is about taking wild risks".***

Entrepreneurs are not wild-eyed gamblers. Instead, they are calculated risk-takers. They evaluate a situation and systematically identify the key financial, technical, market, and related risk factors. They then go about identifying ways to manage and minimise the likelihood of each of the underlying risk factors occurring.

### ⊗ ***"Entrepreneurs are born".***

After literally thousands of studies on the psychological and sociological make-up of the entrepreneur, one conclusion emerges: entrepreneurs are not a unique and separate group that is somehow genetically predisposed to be entrepreneurial. They are not "born".

Rather, we all have some degree of entrepreneurial potential within us. The ability to develop and realise that potential is very much a function of one's environment.

### ⊗ ***"Entrepreneurship is about greed".***

We have all heard about the entrepreneur who wants to be a millionaire by age 30, and retired by age 40, but it just does not work this way. The real motivator behind entrepreneurial behaviour is not money, and it certainly is not power or position.

Entrepreneurial individuals tend to be driven by a desire to achieve, to do what others said could not be done, to overcome all the obstacles and naysayers.

### ⊗ ***"Entrepreneurship is about individual drive".***

It is true that entrepreneurial events usually have a driving force behind them in the form of a visionary individual who persists in making change happen.

Even in corporate settings, there must be a champion who keeps a new concept alive and sells the organisation on it.

But entrepreneurship does not happen without teams. Too much must be done to bring a concept to reality. The obstacles are formidable and the technical, legal, financial, marketing and related requirements are complex.

⊗ ***"Entrepreneurship needs money".***

Entrepreneurial individuals are opportunity-driven, not resource-driven. They do not limit the scope of their vision by how much money, time, staff, or resources they own.

Rather, they go after their dreams by leveraging resources – by borrowing, begging, partnering, sharing, leasing, and recycling resources.

And it is not just money. Studies of entrepreneurial failure suggest that the problem far more often is related to ill-conceived marketing efforts, or a deficiency of resources other than money, such as poorly prepared managers or inadequate communication channels.

⊗ ***"Entrepreneurship is about luck".***

This is not true. Entrepreneurs tend to create their own "luck". It is much more about hard work, creative insight, in-depth analysis, adaptability, and an openness to opportunity when it comes along.

The entrepreneurial individual recognises a trend, a possibility, an unmet demand.

He or she comes up with a concept for capitalising on the trend or demand and does so while the window of opportunity is open.

⊗ ***"Entrepreneurship starts with a new product or service".***

This is one of the great mistakes many would-be entrepreneurs make. They come up with a novel product concept without ever determining whether a demand exists, how extensive that demand actually is, how satisfied customers are with current products, what their switching costs would be, and whether they will be able to see meaningful advantages in the new product.

Entrepreneurship does not start with the product or service one would like to sell. It starts with an opportunity, and opportunities are found in the external environment.

⊗ ***"Entrepreneurship is unstructured and chaotic".***

When doing something entrepreneurial one is dealing with the unknown.

Entrepreneurial individuals have to be comfortable with ambiguity, as things are rarely nice and clear-cut.

So there is a tendency to think of entrepreneurs as "gunslingers" that shoot from the hip and jump in feet first.

The reality is that not only do they tend to be well-organised individuals. They tend to have a system, perhaps elaborate, perhaps not, but personally designed to keep things straight and maintain priorities.

☒ ***"Most entrepreneurial ventures are destined for failure".***

Many do, but many do not. Failure rates differ widely by industry, and drop off significantly after the first few years of operation. And failure rates rise as the amount of entrepreneurial activity rises.

One has only to consider the high failure rates experienced by new restaurants. Many of these fail because they are not well-positioned, the target market is not well-defined, or the restaurant fails to adequately differentiate itself.

But the failure rate is especially high because the number of start-ups is high.

South Africa is at a crossroads. The challenges are immense, and can seem almost insurmountable. But there are answers, and they do not lie in huge spending programmes or in corporate boardrooms.

The answers lie in the imaginations and aspirations of individuals and the teams they are able to build. The focus must be on the dreamers who take responsibility for change and transformation. A beginning point is discarding the myths and misconceptions.

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